36th
Annual Report

April 1, 1989 to March 31, 1990

Northwest Territories
Liquor Commission

92-01015/

Photo Captions:
Front Cover: Wood carving by Metis artist Wilfred McNeil.
Page 11: Soapstone carving by Nowdla Azpik of Lake Harbour.
Page 18-19: Birch bark Dene baskets made in Fort Liard.

Honourable Tom Butters
Minister of Government Services
Government of the Northwest Territories
Yellowknife, N.W.T.

Dear Mr. Minister:

Pursuant to Section 74 of the Liquor Act, I am pleased to submit the thirty-sixth Annual Report for the fiscal year ended March 31, 1990.

I wish to express my thanks to all of our staff for their support and contribution to the progress of the N.W.T. Liquor Commission during the past year.

Respectfully submitted,

R. J. Courtoreille,
General Manager

Members of the Legislative Assembly
of the Northwest Territories
Yellowknife, N.W.T.

Dear Colleagues:

I am pleased to present herewith, for the information of the members of the Legislative Assembly, the thirty-sixth Annual Report of the Liquor Commission for the fiscal year ended March 31, 1990.

Respectfully submitted,

Tom Butters
Minister of Government Services

TABLE OF CONTENTS

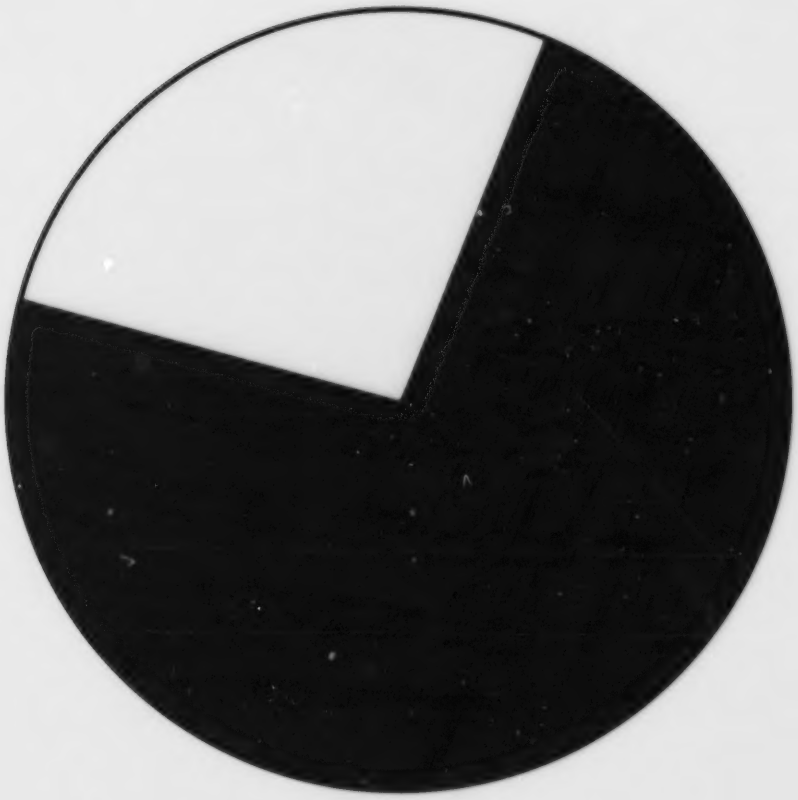
	Page
Sales History	5
Volume Sales in Litres	6
Auditor's Report	12
Stores' Operations	18

Northwest Territories Liquor Commission

SALES HISTORY

Year ending March 31	Sales	Gross Income	Gross Income % of Sales	% Increase in Sales
1971	5,589,192	2,673,637	47.6	16.8
1972	6,509,583	3,107,027	47.7	16.4
1973	7,496,179	3,585,040	47.7	15.2
1974	8,704,102	4,252,030	48.8	16.1
1975	9,574,266	4,864,861	50.8	9.9
1976	10,981,708	5,081,679	46.3	14.7
1977	11,280,747	5,061,090	44.9	2.7
1978	12,150,944	5,241,284	43.1	7.7
1979	12,783,114	5,992,823	46.9	5.2
1980	13,379,588	6,604,938	49.4	4.7
1981	15,184,548	7,289,791	48.0	13.5
1982	17,750,366	8,154,080	45.9	16.9
1983	20,199,370	9,025,756	44.7	13.8
1984	22,060,442	10,212,125	46.3	9.2
1985	23,516,872	10,999,020	46.8	6.6
1986	24,925,453	11,831,338	48.2	6.0
1987	24,092,337	11,818,319	49.1	(3.4)
1988	25,394,451	12,227,965	48.2	5.4
1989	26,324,530	13,780,587	51.2	3.7
1990	28,603,030	15,083,010	52.7	8.7

Revenue From Sale of Liquor
(000's)



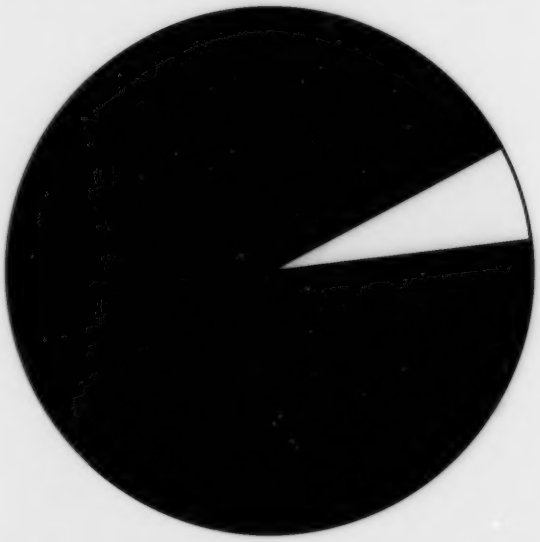
- Spirit Sales to Public (35.4%) — $10,122
- Beer Sales to Licensees (26.1%) — $7,459
- Beer Sales to Public (21.7%) — $6,213
- Wine Sales to Public (6.5%) — $1,854
- Spirit and Wine Sales to Licensees (10.3%) — $2,954

Northwest Territories Liquor Commission
LITRES OF LIQUOR SOLD

			1989/90	1988/89	
	Domestic	Imported	Total	Total	% Change
Spirits	460,949	72,391	533,340	534,689	(0.3)
Wine	107,636	149,817	257,453	263,207	(2.2)
Beer	3,942,685	143,432	4,086,117	4,186,328	(2.4)
	4,511,270	365,640	4,876,910	4,984,224	(2.2)
Litres Absolute					
Alcohol			445,960	452,145	(1.4)

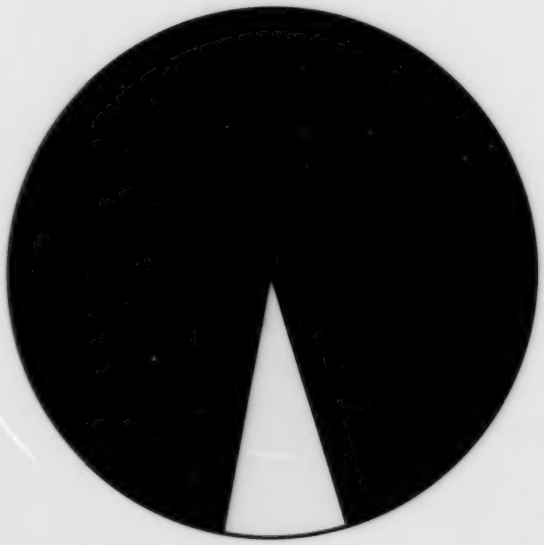
Litres of Liquor Sold

Beer 83.8% Spirits 10.9% Wine 5.3%



Litres of Absolute Alcohol Sold

Beer 45.8% Spirits 47.8% Wine 6.4%



Five Year Sales History
(in Litres)
(Millions)
6
5
4
3
2
1
0
1986
1987
1988
1989
1990
Spirits
Wine
Beer and Coolers

Five Year Sales History
(in Dollars)
(Millions)
30
28
26
24
22
20
18
16
14
12
10
8
6
4
2
0
1986
1987
1988
1989
1990
Spirits
Wine
Beer and Coolers

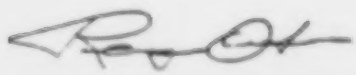
AUDITOR'S REPORT

To the Minister responsible for the
Northwest Territories Liquor Commission

I have examined the balance sheet of the Northwest Territories Liquor Commission as at March 31, 1990 and the statements of income and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

I further report that, in my opinion, proper books of account have been kept and the financial statements are in agreement therewith, and the transactions of the Commission that have come to my notice have, in all significant respects, been in accordance with the Financial Administration Act and regulations, and the Northwest Territories Liquor Act and regulations.



Raymond Dubois, F.C.A.
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada
June 8, 1990

Northwest Territories Liquor Commission

Balance Sheet
as at March 31, 1990

ASSETS

	1990	1989
	(in thousands of dollars)	
Cash	$ 1,555	$ 699
Accounts receivable	44	20
Inventories	3,355	3,719
	$ 4,954	$ 4,438

LIABILITIES

Accounts payable	$ 958	$ 1,041
Accrued employee leave and termination benefits	84	84
Due to the Government of the Northwest Territories (Note 3)	3,912	3,313
	$ 4,954	$ 4,438

Approved by Management:

K. Reid
Manager, Finance and Administration

R. Courtoreille
General Manager

Northwest Territories Liquor Commission

Statement of Income
for the year ended March 31, 1990

	1990				1989
	Spirits	Wine	Beer	Total	Total
	(in thousands of dollars)				
Sales	$12,352	$ 2,578	$13,673	$28,603	$26,324
Cost of goods sold (Note 4)	5,044	1,079	7,397	13,520	12,544
Gross profit	$ 7,308	$ 1,499	$ 6,276	15,083	13,780
Import fees and other income				122	139
				15,205	13,919
Expenses					
Commissions and discounts to agents (Note 5)				1,139	1,104
Salaries, wages and employee benefits				939	861
Utilities				97	100
Communications, postage, stationery and supplies				88	106
Computer Services				50	11
Travel				49	58
Rent				35	42
Advertising				25	2
Grants in lieu of taxes				24	22
Insurance				20	19
Miscellaneous				19	31
Breakage and spoilage				19	12
Repairs and maintenance				12	20
				2,516	2,388
Net income for the year transferable to the Government of the Northwest Territories (Note 3)				$12,689	$11,531

Northwest Territories Liquor Commission

Statement of Changes in Financial Position
for the year ended March 31, 1990

	1990	1989
	(in thousands of dollars)	
Operating activities		
Net income	$12,689	$11,531
Salaries, wages and benefits paid by the Government of the Northwest Territories	910	863
	13,599	12,394
Changes in non-cash balance sheet items:		
Decrease in accounts payable	(83)	(931)
(Increase) decrease in accounts receivable	(24)	3
Decrease (increase) in inventories	364	(481)
Cash provided by operating activities	13,856	10,985
Cash transferred to the Government of the Northwest Territories	13,000	14,000
Net increase (decrease) in cash	856	(3,015)
Cash at beginning of the year	699	3,714
Cash at end of the year	$ 1,555	$ 699

Northwest Territories Liquor Commission

Notes to Financial Statements
March 31, 1990

1. Operations

The Northwest Territories Liquor Commission is responsible for the operation of liquor stores and the purchase, sale and distribution of liquor in the Northwest Territories under Part II of the Northwest Territories Liquor Act. The Commission is authorized by the Legislative Assembly to receive working capital advances from time to time not exceeding $5,500,000 to finance its operations. The Legislative Assembly increased this amount to $6,500,000 on April 10, 1990.

Net income for the year is to be transferred to the Government of the Northwest Territories in accordance with the Liquor Act.

2. Significant Accounting Policies

These financial statements have been prepared by management in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year. A summary of the significant accounting policies of the Commission is as follows:

Inventories

Inventories are valued at the landed cost at each liquor store.

Fixed assets

Buildings, furnishings and fixtures are owned and paid for by the Government of the Northwest Territories. They are provided for the use of the Commission without charge and are not reflected in the financial statements.

3. Due to the Government of the Northwest Territories

	1990	1989
	(in thousands of dollars)	
Balance at beginning of the year	$ 3,313	$ 4,919
Net income for the year	12,689	11,531
Salaries, wages and benefits paid by the Government	910	863
	16,912	17,313
Net transfer of funds to the Government	13,000	14,000
Balance at end of the year	$ 3,912	$ 3,313

4. Cost of goods sold

	1990				1989
	Spirits	Wine	Beer	Total	Total
	(in thousands of dollars)				
Inventories at beginning of the year	$ 2,047	$ 885	$ 787	$ 3,719	$ 3,238
Purchases	4,812	707	6,150	11,669	11,381
Freight	217	201	1,069	1,487	1,644
	7,076	1,793	8,006	16,875	16,263
Less: Inventories at end of the year	2,032	714	609	3,355	3,719
	$ 5,044	$ 1,079	$ 7,397	$13,520	$12,544

5. Comparative Figures

The 1989 comparative figures have been reclassified to reflect the grouping of discounts on sales with commissions, both representing remuneration to agents. Certain other comparative figures have been reclassified to conform to the current year's presentation.

Litres of Liquor Sold by Store

(000's)

	Spirits	Wine	Beer	1990	1989
Yellowknife	253	162	1,976	2,391	2,254
Inuvik	114	27	574	715	662
Hay River	67	24	564	655	678
Norman Wells	23	4	154	181	187
Fort Smith	25	27	255	307	302
Fort Simpson	31	2	144	177	182
Iqaluit	21	11	387	419	384
Cambridge Bay					72
Total 1990	534	257	4,054	4,845	
Total 1989	535	263	3,923		4,721
% Increase	-0.2%	-2.3%	3.3%	2.6%	

Liquor Sales by Store

(000's)

	Spirits	Wine	Beer	1990	1989
Yellowknife	$ 5,895	$ 1,650	$ 6,519	$14,064	$12,768
Inuvik	2,574	313	1,892	4,779	4,427
Hay River	1,523	203	1,828	3,554	3,432
Norman Wells	513	48	512	1,073	974
Fort Smith	547	193	796	1,536	1,439
Fort Simpson	758	26	481	1,265	1,209
Iqaluit	542	145	1,645	2,332	1,807
Cambridge Bay					268
Total 1990	$12,352	$ 2,578	$13,673	$28,603	
Total 1989	$11,513	$ 2,575	$12,236		$26,324
% Increase	7.3%	0.1%	11.7%	8.7%	

Northwest Territories Liquor Commission

YELLOWKNIFE OPERATION

Statement of Operations
for the year ended March 31, 1990
(000's)

	1990				1989
	Spirits	Wine	Beer	Total	Total
Sales	$ 5,895	1,650	6,519	14,064	12,768
Cost of Goods Sold:					
Beginning Inventory	700	369	368	1,437	1,067
Purchases	2,304	692	2,844	5,840	5,667
Freight	91	118	258	467	537
Cost of Goods Available	3,095	1,179	3,470	7,744	7,271
Ending Inventory	663	435	246	1,344	1,437
Cost of Goods Sold	2,432	744	3,224	6,400	5,834
Gross Income				7,664	6,934
Other Income				4	1
Operating Expenses				657	600
NET INCOME:				7,011	6,335

*All consumer sales are made by our agent YK Developments Ltd.

Northwest Territories Liquor Commission

INUVIK OPERATION

Statement of Operations
for the year ended March 31, 1990
(000's)

	1990				1989
	Spirits	Wine	Beer	Total	Total
Sales	2,574	313	1,892	4,779	4,427
Cost of Goods Sold:					
Beginning Inventory	581	107	232	920	910
Purchases	1,007	142	809	1,958	1,825
Freight	61	41	226	328	369
Cost of Goods Available	1,649	290	1,267	3,206	3,104
Ending Inventory	608	124	142	874	920
Cost of Goods Sold	1,041	166	1,125	2,332	2,184
Gross Income				2,447	2,243
Other Income				1	2
Operating Expenses				410	392
NET INCOME				2,038	1,853

*All sales to consumers are made under contract by our agent "Northwest Trading Company"

Northwest Territories Liquor Commission

HAY RIVER OPERATION

Statement of Operations
for the year ended March 31, 1990
(000's)

	1990				1989
	Spirits	Wine	Beer	Total	Total
Sales	1,523	203	1,828	3,554	3,432
Cost of Goods Sold:					
Beginning Inventory	466	84	54	604	512
Purchases	522	88	823	1,433	1,381
Freight	17	11	55	83	88
Cost of Goods Available	1,005	183	932	2,120	1,981
Ending Inventory	382	68	63	513	604
Cost of Goods Sold	623	115	869	1,607	1,377
Gross Income				1,947	2,055
Other Income				7	8
Operating Expenses				328	310
NET INCOME:				1,626	1,753

*All sales to consumers are made under contract by our agent "Hay River Retailers Ltd."

Northwest Territories Liquor Commission

NORMAN WELLS OPERATION

Statement of Operations
for the year ended March 31, 1990
(000's)

	1990				1989
	Spirits	Wine	Beer	Total	Total
Sales	513	48	512	1,073	974
Cost of Goods Sold:					
Beginning Inventory	166	27	54	247	283
Purchases	133	20	236	389	415
Freight	6	5	63	74	88
Cost of Goods Available	305	52	353	710	786
Ending Inventory	92	20	50	162	247
Cost of Goods Sold	213	32	303	548	539
Gross Income				525	435
Other Income				1	0
Operating Expenses				104	99
NET INCOME				422	336

Northwest Territories Liquor Commission

FORT SMITH OPERATION

Statement of Operations
for the year ended March 31, 1990
(000's)

	1990				1989
	Spirits	Wine	Beer	Total	Total
Sales	547	193	796	1,536	1,439
Cost of Goods Sold:					
Beginning Inventory	76	29	37	142	164
Purchases	200	80	374	654	599
Freight	7	9	32	48	61
Cost of Goods Available	283	118	443	844	824
Ending Inventory	59	18	44	121	142
Cost of Goods Sold	224	100	399	723	682
Gross Income				813	757
Other Income				3	7
Operating Expenses				106	97
NET INCOME				710	667

*Fort Smith operations are performed under contract by our agent "Jay Corp Ltd."

Northwest Territories Liquor Commission

FORT SIMPSON OPERATION

Statement of Operations
for the year ended March 31, 1990
(000's)

	1990				1989
	Spirits	Wine	Beer	Total	Total
Sales	758	26	481	1,265	1,209
Cost of Goods Sold:					
Beginning Inventory	46	7	39	92	75
Purchases	332	11	216	559	510
Freight	11	3	21	35	46
Cost of Goods Available	389	21	276	686	631
Ending Inventory	66	7	32	105	92
Cost of Goods Sold	323	14	244	581	539
Gross Income				684	670
Other Income				0	2
Operating Expenses				127	124
NET INCOME				557	548

*Fort Simpson operations are performed under contract by our agent "Fort Simpson Liquor Agency Ltd."

Northwest Territories Liquor Commission

IQALUIT OPERATION

Statement of Operations
for the year ended March 31, 1990
(000's)

	1990				1989
	Spirits	Wine	Beer	Total	Total
Sales	542	145	1,645	2,332	1,807
Cost of Goods Sold:					
Beginning Inventory	222	51	3	276	177
Purchases	151	98	584	833	879
Freight	23	14	390	427	400
Cost of Goods Available	396	163	977	1,536	1,456
Ending Inventory	161	42	31	234	276
Cost of Goods Sold	235	121	946	1,302	1,180
Gross Income				1,030	627
Other Income				0	1
Operating Expenses				168	163
NET INCOME				862	465